

BILLS 1981 - 1982

HB 840 - CSHB 844

1578

1578

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB-840
 Title An Act making funds available for sanitation improvements
 Requested by Adams Date 2/16/82

II. FISCAL DETAIL
 Agency Affected Department of Environmental Conservation
 Program Category Affected Division of Facilities Construction & Operation
 BRU, Program, or Subprogram(s) Affected NRMEC
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES				123.1	131.7	140.9
200 TRAVEL				24.0	27.4	31.2
300 CONTRACTUAL				12.9	13.8	14.7
400 COMMODITIES				1.5	1.5	1.5
500 EQUIPMENT				2.1	--	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL				163.6	174.4	188.3

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND				163.3	174.4	188.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME				3	3	3
PART TIME				1	1	1
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This fiscal note reflects DEC responsibilities in their Village Safe Water Program and their construction.

Original sponsor: Adams

Offered: 3/17/82
Referred: Finance

Funding Information

General Fund \$22,843,300
Other Funds -0-
\$22,843,300

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 840 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making special appropriations for water and
7 sewer systems, waste disposal facilities, and related
8 facilities, projects, and project maintenance, and
9 providing for an effective date."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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* Section 1. The sum of \$2,315,000 is appropriated from the general fund
12 to the Department of Environmental Conservation as follows:

13

(1) \$370,000 for water and sewer feasibility studies in the follow-
14 ing communities:

15

(A) Chignik Bay \$ 50,000

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(B) Chignik Lagoon 50,000

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(C) Manley Hot Springs 50,000

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(D) Hoonah 80,000

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(E) Mekoryuk 40,000

20

(F) Pilot Point 50,000

21

(G) Ekwok 50,000

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(2) \$1,875,000 for water and sewer projects as follows:

23

(A) St. George - water project \$ 955,000

24

(B) Kongiganak - water and sewer project 75,000

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(C) Iguigig - well 50,000

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(D) Togiak - well 100,000

27

(E) Platinum - well 50,000

28

(F) Koliganek - water and sewer project 75,000

29

(G) Hooper Bay - water and sewer upgrade 200,000

1	(H) Chevak - water system upgrade	370,000
2	(3) \$70,000 for landfills in the following communities:	
3	(A) Manokotak	\$ 20,000
4	(B) Togiak	20,000
5	(C) Twin Hills	20,000
6	(D) Clark's Point	10,000

7 * Sec. 2. The sum of \$100,000 is appropriated from the general fund to
8 the Department of Environmental Conservation for a regional water and sewer
9 maintenance center for the Bristol Bay region.

10 * Sec. 3. The sum of \$165,000 is appropriated from the general fund for
11 payment as grants for water and sewer feasibility studies to the following
12 cities:

13	(1) Shageluk	\$ 25,000
14	(2) Chuathbaluk	25,000
15	(3) Nulato	25,000
16	(4) Selawik	50,000
17	(5) Anderson - (sewer feasibility study)	40,000

18 * Sec. 4. The sum of \$18,687,200 is appropriated from the general fund
19 for payment as grants to the following municipalities for the following water
20 and sewer projects:

21	(1) Saxman - water and sewer upgrade for	
22	Revilla Road and Evergreen Avenue	\$ 150,000
23	(2) Klawock - upgrade and reroute of water system	350,000
24	(3) Craig - extension and upgrade of water and	
25	sewer lines	350,000
26	(4) Wrangell-Stikine-Evergreen project	1,046,000
27	(5) Sitka - design of specifications for an alternate	
28	domestic water source	500,000
29	(6) Haines - water project	500,000

1	(7) Skagway - water and sewer project	1,932,000
2	(8) Wasilla - sewer planning, design and	
3	right-of-way acquisition	1,000,000
4	(9) Ouzinkie - water and sewer renovation	750,000
5	(10) City of Kodiak - design of water and sewer	
6	system for Near Island	750,000
7	(11) Sand Point - water and sewer extensions	1,300,000
8	(12) Port Lions - water and sewer extensions	400,000
9	(13) Goodnews Bay - water and sewer system	800,000
10	(14) Aleknagik - water, sewer, landfill	540,000
11	(15) New Stuyahok - sewer upgrade	90,000
12	(16) Akiak - water system	200,000
13	(17) Akolmiut - outhouses and bunkers	31,600
14	(18) Emmonak - water and sewer system	2,400,000
15	(19) Shageluk - individual wells	100,000
16	(20) Huslia - water and sewer upgrade	185,000
17	(21) Galena - water and sewer extension	500,000
18	(22) Holy Cross - water and sewer improvements	20,000
19	(23) Kotzebue - fire protection water line	400,000
20	(24) Kotzebue - water and sewer service line repair	450,000
21	(25) Kiana - sewage treatment plant	125,000
22	(26) Noorvik - water and sewer repairs	150,000
23	(27) Buckland - water system upgrade	100,000
24	(28) Buckland - water and sewage trucks	197,400
25	(29) Deering - road to dumpsite	100,000
26	(30) Diomedes - water tanks	363,700
27	(31) Koyuk - washeteria toilets	3,100
28	(32) Savoonga - water system upgrade	431,400
29	(33) Shaktoolik - garbage truck	50,000

1	(34) Shaktoolik - water line to clinic	100,000
2	(35) Teller - garbage truck	90,000
3	(36) Wales - water and sewage trucks	150,000
4	(37) North Slope Borough - for Kaktovik for	
5	water storage tanks	1,200,000
6	(38) North Slope Borough - emergency repairs for	
7	Wainwright water treatment facility	75,000
8	(39) Seldovia - water and sewer line extensions	557,000
9	(40) Pelican - seawater pumping facility and	
10	dry fireline for fire protection	250,000

11 * Sec. 5. The sum of \$1,042,100 is appropriated from the general fund to
12 the Department of Community and Regional Affairs for payment as grants to the
13 following communities for the following water, sewer, and solid waste
14 facility projects:

15	(1) Metlakatla - water line drainage, sewer lines,	
16	sewer treatment plant, chlorination plant	\$650,000
17	(2) Copper Center for Silver Springs -	
18	community well	32,100
19	(3) Takotna - individual wells	100,000
20	(4) Takotna - sewer feasibility study	25,000
21	(5) Dot Lake - water system repair	150,000
22	(6) Stevens Village - water supply feasibility study	25,000
23	(7) Beaver - solid waste facility	40,000
24	(8) Alatna - solid waste facility	10,000
25	(9) Northway - solid waste facility	10,000

26 * Sec. 6. The sum of \$534,000 is appropriated from the general fund for
27 payment as grants to the following municipalities for solid waste facilities:

28	(1) Akutan	\$ 60,000
29	(2) Platinum	40,000

1	(3) Koyukuk	22,000
2	(4) Huslia	22,000
3	(5) Kiana - dump fencing	30,000
4	(6) Ambler - dump fencing	30,000
5	(7) Kotlik	50,000
6	(8) Teller - landfill relocation	100,000
7	(9) Kodiak Island Borough - for Karluk facility	120,000
8	(10) Kodiak Island Borough - for Old Harbor facility	60,000

9 * Sec. 7. The appropriations made by secs. 3 - 6 of this Act shall be
10 disbursed in accordance with AS 37.05.315 - 37.05.319.

11 * Sec. 8. The appropriations made by secs. 1 and 2 of this Act are for
12 capital projects and are subject to AS 37.25.020.

13 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

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Funding Information
 General Fund \$25,000,000
 Other Funds -0-
 \$25,000,000

Introduced: 2/16/82
 Referred: Community & Regional
 Affairs and Finance

1 IN THE HOUSE

BY ADAMS

2 HOUSE BILL NO. 840

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for water and
 7 sewer systems, waste disposal facilities, and related
 8 facilities, projects and project maintenance; and
 9 providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. (a) The sum of \$3,355,000 is appropriated from the general
 12 fund to the Department of Environmental Conservation as follows:

13 (1) \$150,000 for water and sewer feasibility studies in the follow-
 14 ing communities:

15	(A) Chignik Bay	\$ 50,000
16	(B) Chignik Lagoon	50,000
17	(C) Manley Hot Springs	50,000

18 (2) \$2,925,000 for water and sewer projects as follows:

18	(A) St. George - water project	\$ 955,000
20	(B) Kongiganak - water and sewer project	75,000
21	(C) Iguigig - well	50,000
22	(D) Togiak - well	100,000
23	(E) Platinum - well	50,000
24	(F) Koliganek - water and sewer project	75,000
25	(G) Noatak - water project	400,000
26	(H) Hooper Bay - water and sewer upgrade	200,000
27	(I) Chevak - water system upgrade	370,000
28	(J) Pilot Point - water and sewer project	200,000
29	(K) Ekwok - water and sewer project	450,000

1 (3) \$280,000 for landfills in the following communities:

2 (A) Manokotak	\$ 200,000
3 (B) Togiak	20,000
4 (C) Twin Hills	20,000
5 (D) Clark's Point	40,000

6 * Sec. 2. The sum of \$100,000 is appropriated from the general fund for
7 payment as a grant to the Bristol Bay Borough for the regional water and
8 sewer maintenance center.

9 * Sec. 3. The sum of \$215,000 is appropriated from the general fund for
10 payment as grants for water and sewer feasibility studies to the following
11 cities:

12 (1) Shageluk	\$ 25,000
13 (2) Chuathbaluk	25,000
14 (3) Nulato	25,000
15 (4) Elim	50,000
16 (5) Selawik	50,000
17 (6) Anderson - (sewer feasibility study)	40,000

18 * Sec. 4. The sum of \$18,948,900 is appropriated from the general fund
19 for payment as grants to the following municipalities for the following
20 water and sewer projects:

21 (1) Saxman - water line drainage, sewer lines, 22 sewage treatment plant, and chlorination plant	\$ 150,000
23 (2) Klawock - upgrade and reroute of water system	350,000
24 (3) Craig - extension and upgrade of water and 25 sewer lines	350,000
26 (4) Wrangell-Stikine-Evergreen project	1,046,000
27 (5) Sitka - design of specifications for an alternate 28 domestic water source	500,000
29 (6) Haines - water project	500,000

1	(7) Skagway - water and sewer project	1,932,000
2	(8) Wasilla - sewer planning, design and	
3	right-of-way acquisition	1,000,000
4	(9) Ozinkie - water and sewer renovation	750,000
5	(10) City of Kodiak - design of water and sewer	
6	system for Near Island	750,000
7	(11) Sand Point - water and sewer extensions	1,300,000
8	(12) Port Lions - water and sewer extensions	400,000
9	(13) Goodnews Bay - water and sewer system	800,000
10	(14) Aleknagik - water, sewer, landfill	540,000
11	(15) New Stuyahok - sewer upgrade	90,000
12	(16) Akiak - water system	200,000
13	(17) Akolmiut - outhouses and bunkers	31,600
14	(18) Emmonak - water and sewer system	2,400,000
15	(19) Shageluk - individual wells	100,000
16	(20) Huslia - water and sewer upgrade	185,000
17	(21) Galena - water and sewer extension	500,000
18	(22) Holy Cross - water and sewer improvements	20,000
19	(23) Kotzebue - fire protection water line	400,000
20	(24) Kotzebue - water and sewer service line repair	450,000
21	(25) Kiana - sewage treatment plant	125,000
22	(26) Shungnak - sewer lines	300,000
23	(27) Noorvik - water and sewer repairs	150,000
24	(28) Buckland - water system upgrade	100,000
25	(29) Buckland - water and sewage trucks	197,400
26	(30) Deering - road to dumpsite	100,000
27	(31) Diomedea - water tanks	363,700
28	(32) Koyuk - washeteria toilets	3,100
29	(33) Savoonga - water system upgrade	431,400

1	(34) Shaktoolik - garbage truck	50,000
2	(35) Shaktoolik - water line to clinic	100,000
3	(36) Shishmaref - water system project	750,000
4	(37) Shishmaref - water truck	93,700
5	(38) Teller - garbage truck	90,000
6	(39) Wales - water and sewage trucks	150,000
7	(40) North Slope Borough - for Kaktovik for	
8	water storage tanks	1,200,000

9 * Sec. 5. The sum of \$1,847,100 is appropriated from the general fund to
10 the Department of Community and Regional Affairs for payment as grants to the
11 following communities for the following water, sewer, and solid waste
12 facility projects:

13	(1) Metlakatla - water line drainage, sewer lines,	
14	sewer treatment plant, chlorination plant	\$650,000
15	(2) Copper Center for Silver Springs -	
16	community well	32,100
17	(3) Takotna - individual wells	100,000
18	(4) Takotna - sewer feasibility study	25,000
19	(5) Dot Lake - water system repair	150,000
20	(6) Chalkyitsik - water and sewer system	250,000
21	(7) Evansville - well repair	100,000
22	(8) Rampart - safe water development	230,000
23	(9) Stevens Village - safe water development	250,000
24	(10) Beaver - solid waste facility	40,000
25	(11) Alatna - solid waste facility	10,000
26	(12) Northway - solid waste facility	10,000

27 * Sec. 6. The sum of \$534,000 is appropriated from the general fund for
28 payment as grants to the following municipalities for solid waste facilities:

29	(1) Akutan	\$ 60,000
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1	(2) Platinum	40,000
2	(3) Koyukuk	22,000
3	(4) Huslia	22,000
4	(5) Kiana - dump fencing	30,000
5	(6) Shungnak - dump fencing	30,000
6	(7) Kotlik	50,000
7	(8) Teller - landfill relocation	100,000
8	(9) Kodiak Island Borough - for Karluk facility	120,000
9	(10) Kodiak Island Borough - for Old Harbor facility	60,000

10 * Sec. 7. The appropriations made by secs. 2 - 6 of this Act shall be
11 disbursed in accordance with AS 37.05.315 - 37.05.319.

12 * Sec. 8. The appropriation made by sec. 1 of this Act is for capital
13 projects and is subject to AS 37.25.020.

14 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

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COMMITTEE REPORT

3/17

HOUSE

(5)

FURTHER: FINANCE

2/16/82

Date: _____

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 840

"An Act making special appropriations for water and sewer systems, waste disposal facilities, and related facilities, projects and project maintenance; and providing for an effective date."

under consideration and ~~(a-majority-of-the-committee)-(the-committee)-~~ reports it back with the following recommendations:

[] do pass [] do not pass

[] do pass with attached amendments(s)

[] replace with CS for HB 840 (CRA) [] same title [] new title

and recommends do pass

[] AND attaches a "Letter of Intent" [] New Fiscal Note

[] reports it back without recommendation

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Patrick W. O'Connell
Byzoma
John ...
John ...
Charles ...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Patrick W. O'Connell
CHAIRMAN

Pages

Original sponsor: Adams

Offered: 3/17/82
Referred: Finance

<u>Funding Information</u>	
General Fund	\$22,843,300
Other Funds	-0-
	<u>\$22,843,300</u>

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 840 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for water and
7 sewer systems, waste disposal facilities, and related
8 facilities, projects, and project maintenance; and
9 providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The sum of \$2,315,000 is appropriated from the general fund
12 to the Department of Environmental Conservation as follows:

13 (1) \$370,000 for water and sewer feasibility studies in the follow-
14 ing communities:

- | | | |
|----|------------------------|-----------|
| 15 | (A) Chignik Bay | \$ 50,000 |
| 16 | (B) Chignik Lagoon | 50,000 |
| 17 | (C) Manley Hot Springs | 50,000 |
| 18 | (D) Hoonah | 80,000 |
| 19 | (E) Mekoryuk | 40,000 |
| 20 | (F) Pilot Point | 50,000 |
| 21 | (G) Ekwok | 50,000 |

22 (2) \$1,875,000 for water and sewer projects as follows:

- | | | |
|----|--|------------|
| 23 | (A) St. George - water project | \$ 955,000 |
| 24 | (B) Kongiganak - water and sewer project | 75,000 |
| 25 | (C) Iguigig - well | 50,000 |
| 26 | (D) Togiak - well | 100,000 |
| 27 | (E) Platinus - well | 50,000 |
| 28 | (F) Koliganek - water and sewer project | 75,000 |
| 29 | (G) Hooper Bay - water and sewer upgrade | 200,000 |

1	(H) Chevak - water system upgrade	370,000
2	(3) \$70,000 for landfills in the following communities:	
3	(A) Manokotak	\$ 20,000
4	(B) Togiak	20,000
5	(C) Twin Hills	20,000
6	(D) Clark's Point	10,000

7 * Sec. 2. The sum of \$100,000 is appropriated from the general fund to
8 the Department of Environmental Conservation for a regional water and sewer
9 maintenance center for the Bristol Bay region.

10 * Sec. 3. The sum of \$165,000 is appropriated from the general fund for
11 payment as grants for water and sewer feasibility studies to the following
12 cities:

13	(1) Shageluk	\$ 25,000
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15	(3) Nulato	25,000
16	(4) Selawik	50,000
17	(5) Anderson - (sewer feasibility study)	40,000

18 * Sec. 4. The sum of \$18,687,200 is appropriated from the general fund
19 for payment as grants to the following municipalities for the following water
20 and sewer projects:

21	(1) Saxman - water and sewer upgrade for	
22	Revilla Road and Evergreen Avenue	\$ 150,000
23	(2) Klawock - upgrade and reroute of water system	350,000
24	(3) Craig - extension and upgrade of water and	
25	sewer lines	350,000
26	(4) Wrangell-Stikine-Evergreen project	1,046,000
27	(5) Sitka - design of specifications for an alternate	
28	domestic water source	500,000
29	(6) Haines - water project	500,000

1	(7) Skagway - water and sewer project	1,932,000
2	(8) Wasilla - sewer planning, design and	
3	right-of-way acquisition	1,000,000
4	(9) Guzinkie - water and sewer renovation	750,000
5	(10) City of Kodiak - design of water and sewer	
6	system for Near Island	750,000
7	(11) Sand Point - water and sewer extensions	1,300,000
8	(12) Fort Lions - water and sewer extensions	400,000
9	(13) Goodnews Bay - water and sewer system	800,000
10	(14) Aleknagik - water, sewer, landfill	540,000
11	(15) New Stuyahok - sewer upgrade	90,000
12	(16) Akiak - water system	200,000
13	(17) Akolmiut - outhouses and bunkers	31,600
14	(18) Emmonak - water and sewer system	2,400,000
15	(19) Shageluk - individual wells	100,000
16	(20) Huslia - water and sewer upgrade	185,000
17	(21) Galena - water and sewer extension	500,000
18	(22) Holy Cross - water and sewer improvements	20,000
19	(23) Kotzebue - fire protection water line	400,000
20	(24) Kotzebue - water and sewer service line repair	450,000
21	(25) Kiana - sewage treatment plant	125,000
22	(26) Noorvik - water and sewer repairs	150,000
23	(27) Buckland - water system upgrade	100,000
24	(28) Buckland - water and sewage trucks	197,400
25	(29) Deering - road to dumpsite	100,000
26	(30) Diomede - water tanks	363,700
27	(31) Koyuk - washeteria toilets	3,100
28	(32) Savoonga - water system upgrade	431,400
29	(33) Shaktoolik - garbage truck	50,000

1	(34) Shaktolik - water line to clinic	100,000
2	(35) Teller - garbage truck	90,000
3	(36) Wales - water and sewage trucks	150,000
4	(37) North Slope Borough - for Kaktovik for	
5	water storage tanks	1,200,000
6	(38) North Slope Borough - emergency repairs for	
7	Wainwright water treatment facility	75,000
8	(39) Seldovia - water and sewer line extensions	557,000
9	(40) Pelican - seawater pumping facility and	
10	dry fireline for fire protection	250,000

11 * Sec. 5. The sum of \$1,042,100 is appropriated from the general fund to
12 the Department of Community and Regional Affairs for payment as grants to the
13 following communities for the following water, sewer, and solid waste
14 facility projects:

15	(1) Metlakatla - water line drainage, sewer lines,	
16	sewer treatment plant, chlorination plant	\$650,000
17	(2) Copper Center for Silver Springs -	
18	community well	32,100
19	(3) Takotna - individual wells	100,000
20	(4) Takotna - sewer feasibility study	25,000
21	(5) Dot Lake - water system repair	150,000
22	(6) Stevens Village - water supply feasibility study	25,000
23	(7) Beaver - solid waste facility	40,000
24	(8) Alatna - solid waste facility	10,000
25	(9) Northway - solid waste facility	10,000

26 * Sec. 6. The sum of \$534,000 is appropriated from the general fund for
27 payment as grants to the following municipalities for solid waste facilities:

28	(1) Akutan	\$ 60,000
29	(2) Platinum	40,000

1	(3) Koyukuk	22,000
2	(4) Huslia	22,000
3	(5) Kiana - dump fencing	30,000
4	(6) Ambler - dump fencing	30,000
5	(7) Kotlik	50,000
6	(8) Teller - landfill relocation	100,000
7	(9) Kodiak Island Borough - for Karluk facility	120,000
8	(10) Kodiak Island Borough - for Old Harbor facility	60,000

9 * Sec. 7. The appropriations made by secs. 3 - 6 of this Act shall be
10 disbursed in accordance with AS 37.05.315 - 37.05.319.

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12 capital projects and are subject to AS 37.25.020.

13 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

12-2588
Reguer

Funding Information
General Fund \$25,000,000
Other Funds -0-
\$25,000,000

Introduced: 2/16/82
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY ADAMS

2 HOUSE BILL NO. 840

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

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22	(D) Togiak - well	100,000
23	(E) Platinum - well	50,000
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25	(G) Noatak - water project	400,000
26	(H) Hooper Bay - water and sewer upgrade	200,000
27	(I) Chevak - water system upgrade	370,000
28	(J) Pilot Point - water and sewer project	200,000
29	(K) Ekwok - water and sewer project	450,000

1 (3) \$280,000 for landfills in the following communities.

2 (A) Manokotak \$ 200,000
3 (B) Togiak 20,000
4 (C) Twin Hills 20,000
5 (D) Clark's Point 40,000

6 * Sec. 2. The sum of \$100,000 is appropriated from the general fund for
7 payment as a grant to the Bristol Bay Borough for the regional water and
8 sewer maintenance center.

9 * Sec. 3. The sum of \$215,000 is appropriated from the general fund for
10 payment as grants for water and sewer feasibility studies to the following
11 cities:

12 (1) Shageluk \$ 25,000
13 (2) Chuathbaluk 25,000
14 (3) Nulato 25,000
15 (4) Elim 50,000
16 (5) Selawik 50,000
17 (6) Anderson - (sewer feasibility study) 40,000

18 * Sec. 4. The sum of \$18,948,900 is appropriated from the general fund
19 for payment as grants to the following municipalities for the following
20 water and sewer projects:

21 (1) Saxman - water line drainage, sewer lines,
22 sewage treatment plant, and chlorination plant \$ 150,000
23 (2) Klawock - upgrade and reroute of water system 350,000
24 (3) Craig - extension and upgrade of water and
25 sewer lines 350,000
26 (4) Wrangell-Stikine-Evergreen project 1,046,000
27 (5) Sitka - design of specifications for an alternate
28 domestic water source 500,000
29 (6) Haines - water project 500,000

1	(7) Skagway - water and sewer project	1,932,000
2	(8) Wasilla - sewer planning, design and	
3	right-of-way acquisition	1,000,000
4	(9) Ouzinkie - water and sewer renovation	750,000
5	(10) City of Kodiak - design of water and sewer	
6	system for Near Island	750,000
7	(11) Sand Point - water and sewer extensions	1,300,000
8	(12) Port Lions - water and sewer extensions	400,000
9	(13) Goodnews Bay - water and sewer system	800,000
10	(14) Aleknagik - water, sewer, landfill	540,000
11	(15) New Stuyahok - sewer upgrade	90,000
12	(16) Akiak - water system	200,000
13	(17) Akolmiut - outhouses and bunkers	31,600
14	(18) Emmonak - water and sewer system	2,400,000
15	(19) Shageluk - individual wells	100,000
16	(20) Huslia - water and sewer upgrade	185,000
17	(21) Galena - water and sewer extension	500,000
18	(22) Holy Cross - water and sewer improvements	20,000
19	(23) Kotzebue - fire protection water line	400,000
20	(24) Kotzebue - water and sewer service line repair	450,000
21	(25) Kiana - sewage treatment plant	125,000
22	(26) Shungnak - sewer lines	300,000
23	(27) Noorvik - water and sewer repairs	150,000
24	(28) Buckland - water system upgrade	100,000
25	(29) Buckland - water and sewage trucks	197,400
26	(30) Deering - road to dumpsite	100,000
27	(31) Diomede - water tanks	363,700
28	(32) Koyuk - washeteria toilets	3,100
29	(33) Savoonga - water system upgrade	431,400

1	(34) Shaktoolik - garbage truck	50,000
2	(35) Shaktoolik - water line to clinic	100,000
3	(36) Shishmaref - water system project	750,000
4	(37) Shishmaref - water truck	93,700
5	(38) Teller - garbage truck	90,000
6	(39) Wales - water and sewage trucks	150,000
7	(40) North Slope Borough - for Kaktovik for	
8	water storage tanks	1,200,000

9 * Sec. 5. The sum of \$1,847,100 is appropriated from the general fund to
10 the Department of Community and Regional Affairs for payment as grants to the
11 following communities for the following water, sewer, and solid waste
12 facility projects:

13	(1) Metlakatla - water line drainage, sewer lines,	
14	sewer treatment plant, chlorination plant	\$650,000
15	(2) Copper Center for Silver Springs -	
16	community well	32,100
17	(3) Takotna - individual wells	100,000
18	(4) Takotna - sewer feasibility study	25,000
19	(5) Dot Lake - water system repair	150,000
20	(6) Chalkyitsik - water and sewer system	250,000
21	(7) Evansville - well repair	100,000
22	(8) Rampart - safe water development	230,000
23	(9) Stevens Village - safe water development	250,000
24	(10) Beaver - solid waste facility	40,000
25	(11) Alatna - solid waste facility	10,000
26	(12) Northway - solid waste facility	10,000

27 * Sec. 6. The sum of \$534,000 is appropriated from the general fund for
28 payment as grants to the following municipalities for solid waste facilities:

29	(1) Akutan	\$ 60,000
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1	(2) Platinum	40,000
2	(3) Koyukuk	22,000
3	(4) Huslia	22,000
4	(5) Kiana - dump fencing	30,000
5	(6) Shungnak - dump fencing	30,000
6	(7) Kotlik	50,000
7	(8) Teller - landfill relocation	100,000
8	(9) Kodiak Island Borough - for Karluk facility	120,000
9	(10) Kodiak Island Borough - for Old Harbor facility	60,000

10 * Sec. 7. The appropriations made by secs. 2 - 6 of this Act shall be
 11 disbursed in accordance with AS 37.05.315 - 37.05.319.

12 * Sec. 8. The appropriation made by sec. 1 of this Act is for capital
 13 projects and is subject to AS 37.25.020.

14 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
 15 070(c).

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ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

HOUSE BILL NO. 840

By Adams

"An Act making special appropriations for water and sewer systems, waste disposal facilities, and related facilities, projects and project maintenance; and providing for an effective date."

approp/water & sewer systems, and related facilities, projects

Introduced in the House 2/16, 1982

HISTORY IN THE HOUSE

19 82

Feb 16

Read first time and referred to Committee on C&RA and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

3/31/82

Date: 4-7-82

Mr. Speaker:

The Committee on FINANCE has had HR 264

"An Act relating to the financing of rural health facility improvements and maintenance."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HR 264 (10-2) same title
 new title
- and recommends HR 264
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation 31.5
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Original sponsors: Haugen, Cato,
Fuller, et al

Offered: 3/31/82
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 844 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the financing of rural health
7 facility improvements and maintenance."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. FINDINGS AND PURPOSE. The legislature finds and declares
10 that rural health facilities constitute an integral part of the health ser-
11 vices of the state. The purpose of this Act is to assist those rural health
12 facilities that are unable to secure reasonable alternative means of financ-
13 ing to secure the capital necessary to improve and maintain their physical
14 plants so that those health facilities can continue to provide quality health
15 care.

16

* Sec. 2. AS 18.25 is amended by adding new sections to read:

17

ARTICLE 5. FINANCING OF RURAL HEALTH FACILITY

18

IMPROVEMENTS AND MAINTENANCE.

19

Sec. 18.25.130. RURAL HEALTH FACILITY IMPROVEMENTS AND MAINTENANCE

20

FUND. There is created a rural health facility improvements and mainte-
21 nance fund in the Department of Health and Social Services. Money
22 appropriated to the fund shall be used for grants to rural health facil-
23 ities in accordance with AS 18.25.140.

24

Sec. 18.25.140. GRANTS TO RURAL HEALTH FACILITIES FOR IMPROVEMENTS
25 AND MAINTENANCE. (a) By November 1 of each year the Statewide Health
26 Coordinating Council (AS 18.07.011) shall recommend priorities for
27 making grants from the rural health facility improvements and maintenance
28 fund. The recommendations shall be transmitted to the commissioner of
29 health and social services, the governor, and the legislature.

1 (b) The Department of Health and Social Services shall provide the
2 Statewide Health Coordinating Council with an inventory of rural health
3 facilities and other appropriate information that would be helpful to
4 the council in recommending priorities for making grants. The Department
5 of Health and Social Services shall annually update the inventory pro-
6 vided to the Statewide Health Coordinating Council.

7 (c) In developing recommendations for making grants under this
8 section, the Statewide Health Coordinating Council shall consider

9 (1) the condition of the existing physical plant of a rural
10 health facility;

11 (2) the ability of the rural health facility to continue to
12 provide quality health services;

13 (3) the need in the community for additional services;

14 (4) the ability of the rural health facility to meet current
15 licensure standards; and

16 (5) other related data that would assist the council in
17 establishing grant priorities.

18 (d) The commissioner of health and social services shall review
19 the recommendations of the Statewide Health Coordinating Council and
20 shall make grants from the fund established under AS 18.25.130 to rural
21 health facilities for physical plant improvements and maintenance. Each
22 grant shall be sufficient to enable the facility to satisfy the financing
23 requirements of the physical plant improvement or maintenance recommended
24 by the council. The commissioner may not make grants in an order other
25 than that proposed by the council unless the commissioner

26 (1) makes written findings of fact to justify the modifica-
27 tion of the priorities recommended by the council;

28 (2) provides the council with a copy of the written findings;
29 and

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(3) allows the council a reasonable length of time to respond to the written findings.

Sec. 18.25.150. APPROPRIATION GUIDELINES. Proposed appropriations for the rural health facility improvements and maintenance fund in the governor's annual budget submitted under AS 37.07 should include

- (1) an itemized listing of projects proposed to be financed;
- (2) the amount proposed to be granted to each facility from the fund; and
- (3) the estimated cost of each proposed project.

* Sec. 3. AS 18.25.120 is amended by adding a new paragraph to read:

(2) "rural health facility" means a nonprofit or publicly owned health facility licensed under AS 18.20 and located in an organized borough with a population less than 45,000 or in the unorganized borough.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS for House Bill 844
 Title An Act relating to teh financing of Rural Health Facility Improvement
 Requested by _____ Date April 7, 1982

II. FISCAL DETAIL
 Agency Affected Department of Health and Social Services
 Program Category Affected Health
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-					
200 TRAVEL	19.0					
300 CONTRACTUAL	10.0					
400 COMMODITIES	1.0					
500 EQUIPMENT	1.5					
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.	0					
TOTAL	31.5					

FUNDING (Thousands of Dollars)

GENERAL FUND	31.5					
FEDERAL FUNDS	0					
OTHER (Specify Source)	0					
	0					

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					
	0					

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Al Adams, Chair

IV. DATE April 7, 1982 PREPARED BY House Finance Committee
 AGENCY _____
 Original: Legislative Finance PHONE _____
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST
 Bill/Resolution No. CS for House Bill 844
 Title An Act Relating to the Financing of Rural Health Facility Improvements
 Requested by FINANCE Date April 2, 1982

II. FISCAL DETAIL
 Agency Affected Department of Health & Social Services
 Program Category Affected Health
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	19.0	24.9	22.0	25.3	27.8	30.6
300 CONTRACTUAL	10.0	11.0	12.1	13.0	220.0	17.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	88.5	99.7	105.2	114.6	332.3	140.3

FUNDING (Thousands of Dollars)

GENERAL FUND	88.5	99.7	105.2	114.6	332.2	140.3
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	1	1	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(See Attached)

IV. DATE March 9, 1982 PREPARED BY Dave W. Williams
 AGENCY State Health Planning & Development
 PHONE 465-3015
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Haugen
 33-001 (Rev. 12/81)

pcw
JCC

III. ANALYSIS

The recently completed report on rural hospitals and nursing homes sets out a five year construction plan for rural hospitals and nursing homes. Assuming that grants would be 85% of construction costs, the cost for operating the CSHB 844 program would be approximately .6% of grant funds.

Line 100

This line indicates the equivalent of salary and benefit costs for one staff position with appropriate qualifications. Duties of the proposed staff would include maintenance of the inventory of rural health facilities, review of requests for state assistance, and the research for an preparation of reports regarding grant requests as necessary under provisions with in this Bill.

Line 200

This line reflects necessary travel to rural health facility sites during the maintenance of the inventory of rural health facilities and the cost of periodic review of rural health facility construction.

Line 300

This line shows probable costs for consultants for mechanical, electrical, and structural engineers required for maintaining the inventory of rural health facilities and for assessing code compliance of construction documents. During FY 82 a full inventory of rural hospitals and nursing homes was completed. This full inventory should be repeated every five years. The FY 86 figures consider the cost of completing a full inventory in that year.

Line 400

This line shows expenditure for necessary office supplies.

Line 500

This line shows necessary expenses for office equipment.

Line 700

This fiscal note does not estimate the amount of grant funds which may be provided under the program set out in CSHB 844. It is the understanding of the Department of Health and Social Services that grant funds would be provided each year through a separate appropriation bill.

POSITION PAPER

HOUSE BILL NO. 844

For an Act entitled: "An Act relating to the financing of rural health facility improvements and maintenance."

House Bill 844 creates a fund in the Department of Health & Social Services for the purpose of providing grant funds for improvement and maintenance of rural health facilities.

The Department has historically supported the establishment of a formalized health facility construction program in Alaska to better guide the allocation of limited resources. The recently distributed reports on the physical condition of the 200 + clinics in the state and on 15 rural hospitals and nursing homes are a first step in the development of a systematic approach to health facility construction. Other components of a system for health facility construction should include:

- facility long range plans
- a statewide plan for medical facilities
- certificate of need review
- a funding mechanism
- periodic inventories of health facility physical plants

House Bill 844 would create a fund within the Department of Health and Social Services for plant improvements and maintenance at rural health facilities. The bill provides that the Statewide Health Coordinating Council will make recommendations to the Commissioner of the Department as to the prioritization of projects and that the Commissioner would make grants to rural health facilities based on those recommendations.

Although the concept of providing state assistance to rural health facilities is strongly supported by the Department, the bill would benefit from further clarification. The bill as outlined would provide total state funding of improvements and maintenance at rural health facilities. It can be argued that the state has a responsibility for ensuring access to quality health care facilities to its citizens by providing grants funds when other sources of funding are non-existent or insufficient; however, the Department does not believe the state has a responsibility to totally fund all health facility improvement or maintenance, whether rural or urban. In this regard the bill could be improved by a change in section 18.25.140(d) indicating assistance is to be given in areas which would otherwise be denied adequate facilities, because community tax bases are limited and an attempt at total community financing of a project would cause hardship or prevent its realization.

The bill also would make improvement and maintenance funds available regardless of ownership of the facility. The Department believes the bill would be improved by limiting distribution of state funds to only non-profit and community owned facilities.

Position Paper
House Bill 844
Page 2

Health Facilities currently receive construction and operating assistance under the health facility revenue sharing statute (AS 29.89 and AS 29.90). The revenue sharing statutes provide for this assistance to a broad range of health facilities including hospitals, public health centers, maternity homes, community mental health centers, facilities for the mentally or physically handicapped, nursing homes and convalescent centers. House Bill 844 should define the types of health facilities to be covered by this act. A definition section should also include definitions for the scope of "maintenance" and "improvements."

The Department supports the use of a review body in recommending priorities for making grants. The Department recommends expansion of this concept to include review by experts knowledgeable in health facility financing and community support capabilities. This review body would evaluate proposals for health facility improvements and maintenance, determine whether current financing mechanisms such as revenue sharing, the Alaska Medical Facilities Authority, bond sales or other financing mechanisms are available to the health facility and what level of state support is needed. On the basis of this review and recommendation the Commissioner of Health and Social Services could then make grants from the fund established under AS 18.25.130.

Under the bill the Statewide Health Coordinating Council (SHCC) is required to recommend priorities for making grants. The bill limits the considerations of the SHCC to four points:

- 1) the condition of the existing physical plant of a rural health facility;
- 2) the ability of the rural health facility to continue to provide quality health services;
- 3) the need in the community for additional services; and
- 4) the ability of the rural health facility to meet current licensure standards

Other considerations may impact a decision of prioritizing the need for grant funds. The body which is to make those prioritizations should not be restricted to these four points. The Department suggests that fifth consideration should be added:

- 5) Other considerations such as those addressed in the certificate of need review

The question may arise as to whether a program of this type would encourage the proliferation of unneeded facilities. The certificate of need program will serve to limit the development of these facilities covered by the program such as hospitals and nursing homes but would not restrict the construction of other facilities such as birthing centers and health clinics.

Position Paper
House Bill 844
Page 3

The certificate of need review addresses the following aspects of proposed health facility construction which are pertinent to a consideration of state financial assistance:

- . the need for additional acute care beds in the hospital service area;
- . the relationship of the project to other health care providers in the area;
- . the anticipated impact of the project on hospital operating costs, revenues, and patient charges;
- . the financial feasibility of the project;
- . the cost-effectiveness of constructing shelled-in space for future use

With requests for health facility assistance increasing in number and in scope, the establishment of a systematic approach to health facility construction can guide the allocation of limited state resources.

Recommended by: Phoebe A. Lindsey
Phoebe A. Lindsey, Director
State Health Planning
& Development

Date: March 10, 1982

Approved by: Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health
& Social Services

Date: 3-10-82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. CS for House Bill 844

Title An Act Relating to the Financing of Rural Health Facility Improvements

Requested by FINANCE Date April 2, 1982

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services

Program Category Affected Health

BRU, Program, Or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	19.0	24.9	22.0	25.3	27.8	30.6
300 CONTRACTUAL	10.0	11.0	12.1	13.0	220.0	17.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	88.5	99.7	105.2	114.6	332.3	140.3

FUNDING (Thousands of Dollars)

	88.5	99.7	105.2	114.6	332.2	140.3
GENERAL FUND						
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

	1	1	1	1	1	1
FULL TIME						
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(See Attached)

IV. DATE March 9, 1982

PREPARED BY Dave W. Williams

AGENCY State Health Planning & Development

Original: Legislative Finance

PHONE 465-3015

cc: Budget and Management

Prime Sponsor (First Legislator Named) Haugen

33-001 (Rev. 12/81)

Handwritten initials: DW, JCC

III. ANALYSIS

The recently completed report on rural hospitals and nursing homes sets out a five year construction plan for rural hospitals and nursing homes. Assuming that grants would be 85% of construction costs, the cost for operating the CSHB 844 program would be approximately .6% of grant funds.

Line 100

This line indicates the equivalent of salary and benefit costs for one staff position with appropriate qualifications. Duties of the proposed staff would include maintenance of the inventory of rural health facilities, review of requests for state assistance, and the research for an preparation of reports regarding grant requests as necessary under provisions with in this Bill.

Line 200

This line reflects necessary travel to rural health facility sites during the maintenance of the inventory of rural health facilities and the cost of periodic review of rural health facility construction.

Line 300

This line shows probable costs for consultants for mechanical, electrical, and structural engineers required for maintaining the inventory of rural health facilities and for assessing code compliance of construction documents. During FY 82 a full inventory of rural hospitals and nursing homes was completed. This full inventory should be repeated every five years. The FY 86 figures consider the cost of completing a full inventory in that year.

Line 400

This line shows expenditure for necessary office supplies.

Line 500

This line shows necessary expenses for office equipment.

Line 700

This fiscal note does not estimate the amount of grant funds which may be provided under the program set out in CSHB 844. It is the understanding of the Department of Health and Social Services that grant funds would be provided each year through a separate appropriation bill.

Phobe
PTF

Original sponsors: Haugen, Cato,
Fuller, et al

Offered: 3/31/82
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 844 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the financing of rural health
7 facility improvements and maintenance."

7

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. FINDINGS AND PURPOSE. The legislature finds and declares
10 that rural health facilities constitute an integral part of the health ser-
11 vices of the state. The purpose of this Act is to assist those rural health
12 facilities that are unable to secure reasonable alternative means of financ-
13 ing to secure the capital necessary to improve and maintain their physical
14 plants so that those health facilities can continue to provide quality health
15 care.

15

16

* Sec. 2. AS 18.25 is amended by adding new sections to read:

17

ARTICLE 5. FINANCING OF RURAL HEALTH FACILITY

18

IMPROVEMENTS AND MAINTENANCE.

19

Sec. 18.25.130. RURAL HEALTH FACILITY IMPROVEMENTS AND MAINTENANCE

20

FUND. There is created a rural health facility improvements and mainte-
21 nance fund in the Department of Health and Social Services. Money
22 appropriated to the fund shall be used for grants to rural health facil-
23 ities in accordance with AS 18.25.140.

23

24

Sec. 18.25.140. GRANTS TO RURAL HEALTH FACILITIES FOR IMPROVEMENTS
25 AND MAINTENANCE. (a) By November 1 of each year the Statewide Health
26 Coordinating Council (AS 18.07.011) shall recommend priorities for
27 making grants from the rural health facility improvements and maintenance
28 fund. The recommendations shall be transmitted to the commissioner of
29 health and social services, the governor, and the legislature.

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1 (b) The Department of Health and Social Services shall provide the
2 Statewide Health Coordinating Council with an inventory of rural health
3 facilities and other appropriate information that would be helpful to
4 the council in recommending priorities for making grants. The Department
5 of Health and Social Services shall annually update the inventory pro-
6 vided to the Statewide Health Coordinating Council.

7 (c) In developing recommendations for making grants under this
8 section, the Statewide Health Coordinating Council shall consider

9 (1) the condition of the existing physical plant of a rural
10 health facility;

11 (2) the ability of the rural health facility to continue to
12 provide quality health services;

13 (3) the need in the community for additional services;

14 (4) the ability of the rural health facility to meet current
15 licensure standards; and

16 (5) other related data that would assist the council in
17 establishing grant priorities.

18 (d) The commissioner of health and social services shall review
19 the recommendations of the Statewide Health Coordinating Council and
20 shall make grants from the fund established under AS 18.25.130 to rural
21 health facilities for physical plant improvements and maintenance. Each
22 grant shall be sufficient to enable the facility to satisfy the financing
23 requirements of the physical plant improvement or maintenance recommended
24 by the council. The commissioner may not make grants in an order other
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11 (2) "rural health facility" means a nonprofit or publicly
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SECTIONAL ANALYSIS

HB 844 creates a process by which small rural health facilities will be placed in a prioritized order, based on the comparative need for physical plant replacement or renovation.

SECTION 1 Establishes legislative intent to address the needs of rural health facilities.

SECTION 2 Creates a methodology for prioritization

130. Creates a fund to receive the appropriation

140. Requires the Statewide Health Coordinating Council (SHCC) to review and annually recommend the priority of needs to be addressed. The recommendation goes to the Governor, the Legislature and the Commissioner of Health and Social Services.

The Commissioner may alter priorities established by the SHCC if such alteration can be justified by a finding of fact, such as one facility being further along in the renovation project than another, emergency needs, or legislative reordering of priorities.

Language is included to encourage the Administration to propose appropriation amounts, which, when taken into account with any other sources of funding will provide a completed financing package.

150. Suggests a format for proposed appropriations included in the Governors budget to include, a listing of projects along with the proposed appropriation and an expected total cost of each project.

SECTION 3 Defines a rural health facility.

POSITION PAPER
ON
WORK DRAFT PAPER
CS HOUSE BILL NO. 844 (HESS)

For an Act entitled: "An Act relating to the financing of rural health facility improvements and maintenance."

Committee Substitute for House Bill 844 creates a fund in the Department of Health & Social Services for the purpose of providing grant funds for improvement and maintenance of rural health facilities.

The Department has historically supported the establishment of a formalized health facility construction program in Alaska to better guide the allocation of limited resources. The recently distributed report on the physical condition of 15 rural hospitals and nursing homes is a first step in the development of a systematic approach to health facility construction. Other components of a system for health facility construction should include:

- facility long range plans
- a statewide plan for medical facilities
- certificate of need review
- a funding mechanism
- periodic inventories of health facility physical plants

The CS for House Bill 844 would create a fund within the Department of Health and Social Services for plant improvements and maintenance at rural health facilities. The bill provides that the Statewide Health Coordinating Council will make recommendations to the Commissioner of the Department as to the prioritization of projects and that the Commissioner would make grants to rural health facilities based on those recommendations.

Although the concept of providing state assistance to rural health facilities is strongly supported by the Department, the bill would be improved with further clarification.

The bill would make improvement and maintenance funds available regardless of ownership of the facility. The Department believes the bill would be improved by limiting distribution of State funds to only non-profit and community owned facilities.

It can be argued that the state has a responsibility for ensuring access to quality health care facilities to its citizens by providing grants funds when other sources of funding are non-existent or insufficient; however, the Department does not believe the state has the responsibility stated in section 18.25.40(d) of assuring that state grants are sufficient to enable a facility to satisfy the financial requirements of the physical plant improvement or maintenance recommended by the Statewide Health Coordinating Council. The responsibility of assuring that sufficient funds are available to meet total project costs properly lies with the municipality or local administrative entity which desires State assistance. In this regard, a grantee should be required to demonstrate the availability of total project funding before any state grant funds are expended, but the balance of the project costs sought from other sources would probably be more readily found once a commitment is made for the State grant.

To increase accountability for the use and disbursement of grant funds, a provision should be included in the bill which would permit the Department to provide grant funds for health facility improvement and maintenance to a municipality (or local administrative entity) where a rural health facility is located. Experience gained under the Hill-Burton program indicates that this step provides a form of local audit responsibility and a valuable neutral link for necessary administrative transactions without undue cost or delay.

To address these concerns the Department suggests revising the language in section 18.25.140(d) of CS HB 844 as follows:

18.25.140(d) The commissioner of Health and Social Services shall review the recommendations of the Statewide Health Coordinating Council and may make grants from the fund under AS 18.25.130 to a municipality (or local administrative entity) for physical plant improvements and maintenance. The local match for improvements and maintenance shall be sufficient to enable the municipality or local administrative entity to satisfy the remaining balance of total financial requirements of the physical plant improvement or maintenance supported by a State grant made under this section.

CS HB 844 provides a definition of the scope of the term "rural health facilities." The Department believes the bill should be further clarified by including definitions for the scope of the terms "maintenance" and "improvements."

The Department supports the use of a review body in recommending priorities for making grants. The Department recommends expansion of this concept to include review by experts knowledgeable in health facility financing and community support capabilities. This review body would evaluate proposals for health facility improvements and maintenance, determine whether current financing mechanisms such as revenue sharing, the Alaska Medical Facilities Authority, bond sales or other financing mechanisms are available to the health facility and what level of state support is needed. On the basis of this review and recommendation the Commissioner of Health and Social Services could then make grants from the fund established under AS 18.25.130.

The question may arise as to whether a program of this type would encourage the proliferation of unneeded facilities. The certificate of need program would serve to limit the development of hospitals, psychiatric hospitals, tuberculosis hospitals, skilled nursing facilities, kidney disease treatment centers, intermediate care facilities, and ambulatory surgical facilities, whether private, municipal, state or federal. Although the CSHB 844 definition of rural health facilities is not entirely consistent with the coverage of the certificate of need program, there are very few facilities eligible for grants under CSHB 844 which are not required to obtain a certificate of need and this is not seen as a significant problem.

The certificate of need review addresses the following aspects of proposed health facility construction which are pertinent to a consideration of state financial assistance:

- the need for additional acute care beds in the hospital service area:

- . the relationship of the project to other health care providers in the area:
- . the anticipated impact of the project on hospital operating costs, revenues, and patient charges:
- . the financial feasibility of the project:
- . the cost-effectiveness of constructing shelled-in space for future use.

With requests for health facility assistance increasing in number and in scope, the establishment of a systematic approach to health facility construction can guide the allocation of limited state resources.

Recommended by: Phoebe A. Lindsey
Phoebe A. Lindsey, Director
State Health Planning
& Development

Date: March 25, 1982

Approved by: Helen N. Beirne
Helen N. Beirne, Commissioner
Department of Health
& Social Services

Date: 3/30/82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST
 Bill/Resolution No. CS House Bill 844
 Title An Act Relating to the Financing of Rural Health Facility Improvements
 Requested by HESS

II. FISCAL DETAIL
 Agency Affected Department of Health & Social Services
 Program Category Affected Health
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	30.0	33.0	36.0	40.0	44.0	48.4
300 CONTRACTUAL	150.0	165.0	180.0	200.0	220.0	242.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	22704.0	32191.0	24118.0	26354.0	33565.0	36921.0
TOTAL	22943.5	32454.8	24404.0	26670.0	33913.5	37304.1

FUNDING (Thousands of Dollars)

GENERAL FUND	22943.5	32454.8	24404.0	26670.0	33913.5	37304.1
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	1	1	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(See Attached)

IV. DATE March 9, 1982 PREPARED BY Dave W. Williams *pal*
 AGENCY State Health Planning & Development *JCC*
 PHONE 465-3015
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Haugen
 33-001 (Rev. 12/81)

This fiscal note has been prepared considering the full impact which could be expected under this CSHB 844. Even though not all rural health facilities eligible for state assistance under CSHB 844 will necessarily desire state assistance. This fiscal note assumes that all facilities eligible under CSHB 844 would desire and receive state assistance. This may not necessarily be true. Assumptions regarding expenditure levels made by the Department in preparing this fiscal note are as follows:

Line 100

This line indicates the equivalent of salary and benefit costs for one staff position with appropriate qualifications. Duties of the proposed staff would include oversight of the required annual inventory of rural health facilities, review of requests for state assistance, and the research for and preparation of reports regarding grant requests as necessary under provisions within this Bill.

Line 200

This line reflects necessary travel to rural health facility sites during the update of the annual inventory of rural health facilities and the cost of periodic review of rural health facility construction projects.

Line 300

This line shows probable costs for consultants for mechanical, electrical, and structural engineers required for updating the annual inventory of rural health facilities.

Line 400

This line shows expenditure for necessary office supplies.

Line 500

This line shows necessary expenses for office equipment.

Line 700

The estimated grant expenditures shown on this line are provided to outline the dimension of need, but cannot be interpreted as a recommended level of state support.

These expenditures for grants are based upon the recent inventory of 15 rural hospitals and nursing homes. The inventory found numerous and serious deficiencies at the surveyed facilities. The fiscal note shows the probable grant expense to the state for correcting the noted deficiencies spread over the next six years. Grant expenses for subsequent years (1989 and beyond) should decline once the noted deficiencies are corrected.

The inventory report gave estimated 1982 construction costs for the correction of deficiencies which were noted at each facility. The inventory report cost estimates do not include costs for fees, equipment, inflation, site acquisition, and other project costs. To arrive at total project costs, the inventory report cost estimates must be adjusted by a factor between 125% and 160%. In preparing this fiscal note the Department has used a factor of 150% with inflation calculated at 10% a year. In estimating the grant expenditures under this bill the Department

has assumed each rural health facility would bear 20% of the total project costs. Under the provisions of CSHR 844 the local portion of costs may be adjusted to meet the needs of each facility and, therefore, may be higher or lower than the assumed 20%.

Original sponsors: Haugen, Cato,
Fuller, et al

BY THE HEALTH, EDUCATION
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 844 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the financing of rural health
7 facility improvements and maintenance."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS AND PURPOSE. The legislature finds and declares
10 that rural health facilities constitute an integral part of the health s
11 vices of the state. The purpose of this Act is to assist those rural hea
12 facilities that are unable to secure ^(A44.10) reasonable alternative means of fina
13 ing to secure the capital necessary to improve and maintain their physic
14 plants so that those health facilities can continue to provide quality he
15 care.

16 * Sec. 2. AS 18.25 is amended by adding new sections to read:

17 ARTICLE 5. FINANCING OF RURAL HEALTH FACILITY
18 IMPROVEMENTS AND MAINTENANCE.

19 Sec. 18.25.130. RURAL HEALTH FACILITY IMPROVEMENTS AND MAINTENANCE
20 FUND. There is created a rural health facility improvements and main
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Original sponsors: Haugen, Cato,
Fuller, et al

Offered: 3/31/82
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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Introduced: 2/16/82
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY HAUGEN, CATO, FULLER
AND MALONE

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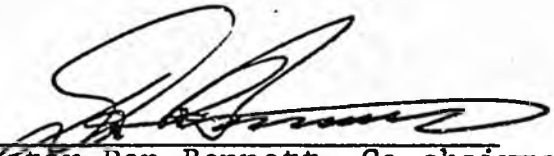
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27 and

28 (3) allows the council a reasonable length of time to respond
29 to the written findings.

NOTE TO THE FILE:

HB 844 - Financing health facility improvements and maintenance.

In reporting out SCS for HB 844 (HESS) on May 14, 1982, the Senate Finance Committee adopted the April 30, 1982 fiscal note in the amount of \$88,500 (copy attached).



Senator Don Bennett, Co-chairman
Senate Finance Committee

PUT IN S. FINANCE
BILLS PASSED
OUT FILE
S.

JOURNAL SUPPLEMENT

No. 41

5/5/82

FISCAL NOTE

SCS
HB
844

I. REQUEST

Bill/Resolution No. SENATE HESS SCS for House Bill 844 (HESS) am
Title An Act Relating to the Financing of Rural Health Facility Improv
Requested by SENATE HESS Date April 30, 1982

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services

Program Category Affected Health

BRU, Program, Or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	19.0	24.9	22.0	25.3	27.8	30.6
300 CONTRACTUAL	10.0	11.0	12.1	13.0	220.0	17.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	88.5	99.7	105.2	114.6	332.3	140.3

FUNDING (Thousands of Dollars)

GENERAL FUND	88.5	99.7	105.2	114.6	332.2	140.3
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	1	1	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(See Attached)


IV. DATE April 30, 1982

PREPARED BY Dave W. Williams
AGENCY State Health Planning & Development
PHONE 465-3015

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EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	19.0	24.9	22.0	25.3	27.8	30.6
300 CONTRACTUAL	10.0	11.0	12.1	13.0	220.0	17.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	88.5	99.7	105.2	114.6	332.3	140.3

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND	88.5	99.7	105.2	114.6	332.2	140.3
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

	1	1	1	1	1	1
FULL TIME						
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(See Attached)

IV. DATE April 30, 1982

PREPARED BY Dave W. Williams *DW*
 AGENCY State Health Planning & Development
 PHONE 485-3015

COMMITTEE REPORT
SENATE

2/5/78

FURTHER: *None*

Date: 4/14/52

Mr. President:

The Committee on FINANCE has had CSHB 844 (HRS) on
financing of rural health facility improvements and maintenance

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^SCS for HC HB 844 (HRS) same title
AS AMENDED new title
TO PASS
and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

SENATE AMENDMENT

By Senate Finance Committee

To: SEE SENATE BILL No. _____
To: SCS CS HOUSE BILL No. 844 (HESS)

PAGE: LINE:

Page 3, line 17:

Change "three" to "four"

Page 3, line 20:

Change "(C)" to read: "health facilities in
communities larger than 4,500;"

Add "(D)" to read: "health facilities in communities
smaller than 4,500;"

Original sponsors: Haugen, Cato,
Fuller, et al

Offered: 5/5/82
Referred: Rules

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 844 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the financing of health facility
7 improvements and maintenance."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS AND PURPOSE. The legislature finds and declares
10 that health facilities constitute an integral part of the health services of
11 the state. The purpose of this Act is to assist health facilities in securing
12 the capital necessary to improve and maintain their physical plants so that
13 they can continue to provide quality health care.

14 * Sec. 2. AS 18.25 is amended by adding new sections to read:

15 ARTICLE 5. FINANCING OF HEALTH FACILITY

16 IMPROVEMENTS AND MAINTENANCE.

17 Sec. 18.25.130. HEALTH FACILITY IMPROVEMENTS AND MAINTENANCE FUND.

18 There is created a health facility improvements and maintenance fund in
19 the Department of Health and Social Services. Money appropriated to the
20 fund shall be used for grants and loans to health facilities in accor-
21 dance with AS 18.25.140.

22 Sec. 18.25.140. GRANTS AND LOANS TO HEALTH FACILITIES FOR IMPROVE-
23 MENTS AND MAINTENANCE. (a) By November 1 of each year the Statewide
24 Health Coordinating Council (AS 18.07.011) shall recommend priorities
25 for making grants and loans from the health facility improvements and
26 maintenance fund. The recommendations shall be transmitted to the
27 commissioner of health and social services, the governor, and the legis-
28 lature.

29 (b) The Department of Health and Social Services shall provide the

1 the recommendations of the Statewide Health Coordinating Council and
2 shall provide the governor with a prioritized list of health facilities
3 in need of assistance from the fund established under AS 18.25.130 for
4 physical plant improvements and maintenance. The commissioner may not
5 make recommendations in an order other than that proposed by the council
6 unless the commissioner

7 (1) makes written findings of fact to justify the modifica-
8 tion of the priorities recommended by the council;

9 (2) provides the council with a copy of the written findings;
10 and

11 (3) allows the council a reasonable length of time to respond
12 to the written findings.

13 Sec. 18.25.150. APPROPRIATION GUIDELINES. (a) Proposed appropri-
14 ations for the health facility improvements and maintenance fund in the
15 governor's annual budget submitted under AS 37.07 shall include

16 (1) an itemized listing of projects proposed to be financed,
17 divided into ~~three~~ ^{FOUR} categories:

18 (A) inpatient health facilities with more than 100 beds;

19 (B) inpatient health facilities with 100 or less beds;

20 (C) other health facilities; ^{over 4,500}
^{under 4,500}

21 (2) ^(D) the amount proposed to be granted or loaned to each
22 facility from the fund; and

23 (3) the estimated cost of each proposed project.

24 (b) Proposed appropriations under this section may not include
25 financing for health facilities operated or wholly supported by the
26 federal government.

27 Sec. 18.25.160. APPLICATION FOR IMPROVEMENTS AND MAINTENANCE
28 PROJECTS. The state, a political subdivision of the state, or a public
29 or other nonprofit agency may apply to the Department of Health and

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Original sponsors: Haugen, Cato,
Fuller, et al

Offered: 5/5/82
Referred: Rules

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 844 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the financing of health facility
7 improvements and maintenance."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS AND PURPOSE. The legislature finds and declares
10 that health facilities constitute an integral part of the health services of
11 the state. The purpose of this Act is to assist health facilities in securing
12 the capital necessary to improve and maintain their physical plants so that
13 they can continue to provide quality health care.

14 * Sec. 2. AS 18.25 is amended by adding new sections to read:

15 ARTICLE 5. FINANCING OF HEALTH FACILITY
16 IMPROVEMENTS AND MAINTENANCE.

17 Sec. 18.25.130. HEALTH FACILITY IMPROVEMENTS AND MAINTENANCE FUND.
18 There is created a health facility improvements and maintenance fund in
19 the Department of Health and Social Services. Money appropriated to the
20 fund shall be used for grants and loans to health facilities in accor-
21 dance with AS 18.25.140.

22 Sec. 18.25.140. GRANTS AND LOANS TO HEALTH FACILITIES FOR IMPROVE-
23 MENTS AND MAINTENANCE. (a) By November 1 of each year the Statewide
24 Health Coordinating Council (AS 18.07.011) shall recommend priorities
25 for making grants and loans from the health facility improvements and
26 maintenance fund. The recommendations shall be transmitted to the
27 commissioner of health and social services, the governor, and the legis-
28 lature.

29 (b) The Department of Health and Social Services shall provide the

1 Statewide Health Coordinating Council with an inventory of health facili-
2 ties, population served, services rendered, and other appropriate infor-
3 mation that would be helpful to the council in recommending priorities
4 for making grants and loans. The Department of Health and Social Ser-
5 vices shall update the inventory provided to the Statewide Health Coor-
6 dinating Council as necessary.

7 (c) In developing recommendations for making grants and loans
8 under this section, the Statewide Health Coordinating Council shall
9 consider

10 (1) the condition of the existing physical plant of a health
11 facility;

12 (2) the ability of the health facility to continue to provide
13 quality health services;

14 (3) the need in the community for additional services;

15 (4) the availability of quality health services in an adjacent
16 community;

17 (5) the financial ability of the community to contribute to
18 the cost of the project;

19 (6) the capacity of federal and state facilities to provide
20 the health service needs of a community, the existence of cooperative
21 agreements between federal and state facilities to provide the health
22 service needs of a community, and foreseeable changes in the delivery of
23 those services within a three-year period from the date of the council's
24 recommendations under this section;

25 (7) the ability of the health facility to meet current licen-
26 sure standards; and

27 (8) other related data that would assist the council in
28 establishing grant and loan priorities.

29 (d) The commissioner of health and social services shall review

1 the recommendations of the Statewide Health Coordinating Council and
2 shall provide the governor with a prioritized list of health facilities
3 in need of assistance from the fund established under AS 18.25.130 for
4 physical plant improvements and maintenance. The commissioner may not
5 make recommendations in an order other than that proposed by the council
6 unless the commissioner

7 (1) makes written findings of fact to justify the modifica-
8 tion of the priorities recommended by the council;

9 (2) provides the council with a copy of the written findings;
10 and

11 (3) allows the council a reasonable length of time to respond
12 to the written findings.

13 Sec. 18.25.150. APPROPRIATION GUIDELINES. (a) Proposed appropri-
14 ations for the health facility improvements and maintenance fund in the
15 governor's annual budget submitted under AS 37.07 shall include

16 (1) an itemized listing of projects proposed to be financed,
17 divided into ~~three~~ ^{FOUR} categories:

18 (A) inpatient health facilities with more than 100 beds;

19 (B) inpatient health facilities with 100 or less beds;

20 (C) other health facilities; ^{over 4,500}

21 (D) ^{order 4,500} the amount proposed to be granted or loaned to each
22 facility from the fund; and

23 (3) the estimated cost of each proposed project.

24 (b) Proposed appropriations under this section may not include
25 financing for health facilities operated or wholly supported by the
26 federal government.

27 Sec. 18.25.160. APPLICATION FOR IMPROVEMENTS AND MAINTENANCE
28 PROJECTS. The state, a political subdivision of the state, or a public
29 or other nonprofit agency may apply to the Department of Health and

1 Social Services for money for a health facility improvement and mainten-
2 ance project. The application shall conform to federal and state
3 requirements.

4 * Sec. 3. AS 18.25.120 is amended by adding a new paragraph to read:

5 (2) "health facility"

6 (A) means a facility that is owned or operated by a
7 municipality or by a nonprofit corporation or other nonprofit
8 sponsor and, if required, is licensed under AS 18.20.010 - 18.20.-
9 130;

10 (B) includes a public health center, maternity home,
11 community mental health center, or rural health clinic.

I. REQUEST
 Bill/Resolution No. SCS CS for House Bill 844 (HESS)
 Title An Act Relating to the Financing of Health Facility Improvements
 Requested by SENATE FINANCE Date May 13, 1982

II. FISCAL DETAIL
 Agency Affected Department of Health & Social Services
 Program Category Affected Health
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY '83	FY '84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	19.0	22.0	24.9	25.3	27.8	30.6
300 CONTRACTUAL	10.0	11.0	12.1	13.0	220.0	17.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	88.5	96.8	107.2	114.6	332.3	140.3

FUNDING (Thousands of Dollars)

GENERAL FUND	88.5	99.7	105.2	114.6	332.2	140.3
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(See Attached)

IV. DATE May 13, 1982 PREPARED BY Dave W. Williams *DW ml*
 AGENCY State Health Planning & Development
 Original: Legislative Finance PHONE 465-3015
 cc: Budget and Management
Prime Sponsor (First Legislator Named) Haugen
 33-001 (Rev. 12/81)

III. ANALYSIS

The recently completed report on rural hospitals and nursing homes sets out a five year construction plan for rural hospitals and nursing homes. This report serves as the base for information provided in this fiscal note. Assuming that state funds would be 85% of construction costs, the cost for operating the SCS CSHB 844 program would be approximately .6% of grant funds. The cost of the program is not expected to be significantly changed under the Senate committee substitute since the costs are mainly related to the annual inventory update and an increased workload for review of hospital and nursing home construction plans.

To inventory facilities such as public health clinics and community mental health centers, the department would expect to use a less intensive approach than for hospitals. The approach for these types of facilities would be to use survey forms which request information about the physical plant and pertinent features of its operations. The survey would be followed by on site visits as appropriate.

Line 100

This line indicates the equivalent of salary and benefit costs for one staff position with appropriate qualifications. Duties of the proposed staff would include maintenance of the inventory of rural health facilities, review of requests for state assistance, and the research for and preparation of reports regarding grant requests as necessary under provisions within the bill.

Line 200

This line reflects necessary travel to health facility sites during the maintenance of the inventory of health facilities and the cost of periodic review of health facility construction. The costs shown here are based mainly upon the cost of inventorying hospitals and nursing homes.

Line 300

This line shows probable costs for consultants for mechanical, electrical, and structural engineers required for maintaining the inventory of rural health facilities and for assessing code compliance of construction documents. During FY 82 a full inventory of rural hospitals and nursing homes was completed. This full inventory should be repeated every five years. The FY 87 figures consider the cost of completing a full inventory in that year.

Line 400

This line shows expenditure for necessary office supplies.

Line 500

This line shows necessary expenses for office equipment.

Line 700

This fiscal note does not estimate the amount of grant and loan funds which may be provided under the program set out in SCS CSHB 844.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS for House Bill 844
 Title An Act relating to the financing of Rural Health Facility Improvement
 Requested by _____ Date April 7, 1982

II. FISCAL DETAIL
 Agency Affected Department of Health and Social Services
 Program Category Affected Health
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-					
200 TRAVEL	19.0					
300 CONTRACTUAL	10.0					
400 COMMODITIES	1.0					
500 EQUIPMENT	1.5					
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.	0					
TOTAL	31.5					

FUNDING (Thousands of Dollars)

GENERAL FUND	31.5					
FEDERAL FUNDS	0					
OTHER (Specify Source)	0					
	0					

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					
	0					

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)


Al Adams, Chair

IV. DATE April 7, 1982 PREPARED BY House Finance Committee
 AGENCY _____
 Original: Legislative Finance PHONE _____
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

POSITION PAPER
ON
WORK DRAFT PAPER
CS HOUSE BILL NO. 844 (HESS)

For an Act entitled: "An Act relating to the financing of rural health facility improvements and maintenance."

Committee Substitute for House Bill 844 creates a fund in the Department of Health & Social Services for the purpose of providing grant funds for improvement and maintenance of rural health facilities.

The Department has historically supported the establishment of a formalized health facility construction program in Alaska to better guide the allocation of limited resources. The recently distributed report on the physical condition of 15 rural hospitals and nursing homes is a first step in the development of a systematic approach to health facility construction. Other components of a system for health facility construction should include:

- facility long range plans
- a statewide plan for medical facilities
- certificate of need review
- a funding mechanism
- periodic inventories of health facility physical plants

The CS for House Bill 844 would create a fund within the Department of Health and Social Services for plant improvements and maintenance at rural health facilities. The bill provides that the Statewide Health Coordinating Council will make recommendations to the Commissioner of the Department as to the prioritization of projects and that the Commissioner would make grants to rural health facilities based on those recommendations.

Although the concept of providing state assistance to rural health facilities is strongly supported by the Department, the bill would be improved with further clarification.

The bill would make improvement and maintenance funds available regardless of ownership of the facility. The Department believes the bill would be improved by limiting distribution of State funds to only non-profit and community owned facilities.

It can be argued that the state has a responsibility for ensuring access to quality health care facilities to its citizens by providing grants funds when other sources of funding are non-existent or insufficient; however, the Department does not believe the state has the responsibility stated in section 18.25.40(d) of assuring that state grants are sufficient to enable a facility to satisfy the financial requirements of the physical plant improvement or maintenance recommended by the Statewide Health Coordinating Council. The responsibility of assuring that sufficient funds are available to meet total project costs properly lies with the municipality or local administrative entity which desires State assistance. In this regard, a grantee should be required to demonstrate the availability of total project funding before any state grant funds are expended, but the balance of the project costs sought from other sources would probably be more readily found once a commitment is made for the State grant.

To increase accountability for the use and disbursement of grant funds, a provision should be included in the bill which would permit the Department to provide grant funds for health facility improvement and maintenance to a municipality (or local administrative entity) where a rural health facility is located. Experience gained under the Hill-Burton program indicates that this step provides a form of local audit responsibility and a valuable neutral link for necessary administrative transactions without undue cost or delay.

To address these concerns the Department suggests revising the language in section 18.25.140(d) of CS HB 844 as follows:

18.25.140(d) The commissioner of Health and Social Services shall review the recommendations of the Statewide Health Coordinating Council and may make grants from the fund under AS 18.25.130 to a municipality (or local administrative entity) for physical plant improvements and maintenance. The local match for improvements and maintenance shall be sufficient to enable the municipality or local administrative entity to satisfy the remaining balance of total financial requirements of the physical plant improvement or maintenance supported by a State grant made under this section.

CS HB 844 provides a definition of the scope of the term "rural health facilities." The Department believes the bill should be further clarified by including definitions for the scope of the terms "maintenance" and "improvements."

The Department supports the use of a review body in recommending priorities for making grants. The Department recommends expansion of this concept to include review by experts knowledgeable in health facility financing and community support capabilities. This review body would evaluate proposals for health facility improvements and maintenance, determine whether current financing mechanisms such as revenue sharing, the Alaska Medical Facilities Authority, bond sales or other financing mechanisms are available to the health facility and what level of state support is needed. On the basis of this review and recommendation the Commissioner of Health and Social Services could then make grants from the fund established under AS 18.25.130.

The question may arise as to whether a program of this type would encourage the proliferation of unneeded facilities. The certificate of need program would serve to limit the development of hospitals, psychiatric hospitals, tuberculosis hospitals, skilled nursing facilities, kidney disease treatment centers, intermediate care facilities, and ambulatory surgical facilities, whether private, municipal, state or federal. Although the CSHB 844 definition of rural health facilities is not entirely consistent with the coverage of the certificate of need program, there are very few facilities eligible for grants under CSHB 844 which are not required to obtain a certificate of need and this is not seen as a significant problem.

The certificate of need review addresses the following aspects of proposed health facility construction which are pertinent to a consideration of state financial assistance:

- . the need for additional acute care beds in the hospital service area:

- . the relationship of the project to other health care providers in the area:
- . the anticipated impact of the project on hospital operating costs, revenues, and patient charges:
- . the financial feasibility of the project:
- . the cost-effectiveness of constructing shelled-in space for future use.

With requests for health facility assistance increasing in number and in scope, the establishment of a systematic approach to health facility construction can guide the allocation of limited state resources.

Recommended by: Phoebe A. Lindsey
Phoebe A. Lindsey, Director
State Health Planning
& Development

Date: March 25, 1982

Approved by: Helen N. Beirne
Helen N. Beirne, Commissioner
Department of Health
& Social Services

Date: 3/30/82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. CS House Bill 844

Title An Act Relating to the Financing of Rural Health Facility Improvements

Requested by HESS

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services

Program Category Affected Health

BRU, Program, Or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	30.0	33.0	36.0	40.0	44.0	48.4
300 CONTRACTUAL	150.0	165.0	180.0	200.0	220.0	242.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	22704.0	32191.0	24118.0	26354.0	33565.0	36921.0
TOTAL	22943.5	32454.8	24404.0	26670.0	33913.5	37304.1

FUNDING (Thousands of Dollars)

GENERAL FUND	22943.5	32454.8	24404.0	26670.0	33913.5	37304.1
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	1	1	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(See Attached)

IV. DATE March 9, 1982

PREPARED BY Dave W. Williams

AGENCY State Health Planning & Development

PHONE 465-3015

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Haugen

33-001 (Rev. 12/81)

ml *JCC*

This fiscal note has been prepared considering the full impact which could be expected under this CSHB 844. Even though not all rural health facilities eligible for state assistance under CSHB 844 will necessarily desire state assistance. This fiscal note assumes that all facilities eligible under CSHB 844 would desire and receive state assistance. This may not necessarily be true. Assumptions regarding expenditure levels made by the Department in preparing this fiscal note are as follows:

Line 100

This line indicates the equivalent of salary and benefit costs for one staff position with appropriate qualifications. Duties of the proposed staff would include oversight of the required annual inventory of rural health facilities, review of requests for state assistance, and the research for and preparation of reports regarding grant requests as necessary under provisions within this Bill.

Line 200

This line reflects necessary travel to rural health facility sites during the update of the annual inventory of rural health facilities and the cost of periodic review of rural health facility construction projects.

Line 300

This line shows probable costs for consultants for mechanical, electrical, and structural engineers required for updating the annual inventory of rural health facilities.

Line 400

This line shows expenditure for necessary office supplies.

Line 500

This line shows necessary expenses for office equipment.

Line 700

The estimated grant expenditures shown on this line are provided to outline the dimension of need, but cannot be interpreted as a recommended level of state support.

These expenditures for grants are based upon the recent inventory of 15 rural hospitals and nursing homes. The inventory found numerous and serious deficiencies at the surveyed facilities. The fiscal note shows the probable grant expense to the state for correcting the noted deficiencies spread over the next six years. Grant expenses for subsequent years (1989 and beyond) should decline once the noted deficiencies are corrected.

The inventory report gave estimated 1982 construction costs for the correction of deficiencies which were noted at each facility. The inventory report cost estimates do not include costs for fees, equipment, inflation, site acquisition, and other project costs. To arrive at total project costs, the inventory report cost estimates must be adjusted by a factor between 125% and 160%. In preparing this fiscal note the Department has used a factor of 150% with inflation calculated at 10% a year. In estimating the grant expenditures under this bill the Department

has assumed each rural health facility would bear 20% of the total project costs. Under the provisions of CSHR 844 the local portion of costs may be adjusted to meet the needs of each facility and, therefore, may be higher or lower than the assumed 20%.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. SENATE HESS Draft CS for House Bill 844 (HESS) am
 Title An Act Relating to the Financing of Rural Health Facility Improvements
 Requested by SENATE-HESS Date April 30, 1982

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services
 Program Category Affected Health
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	19.0	24.9	22.0	25.3	27.8	30.6
300 CONTRACTUAL	10.0	11.0	12.1	13.0	220.0	17.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	88.5	99.7	105.2	114.6	332.3	140.3

FUNDING (Thousands of Dollars)

	88.5	99.7	105.2	114.6	332.2	140.3
GENERAL FUND	88.5	99.7	105.2	114.6	332.2	140.3
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

	1	1	1	1	1	1
FULL TIME	1	1	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(See Attached)

IV. DATE April 30, 1982

PREPARED BY Dave W. Williams
 AGENCY State Health Planning & Development
 PHONE 465-3015

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Haugen
 33-001 (Rev. 12/81)

DW
JCC

III. ANALYSIS

The recently completed report on rural hospitals and nursing homes sets out a five year construction plan for rural hospitals and nursing homes. This report serves as the base for information provided in this fiscal note. Assuming that state funds would be 85% of construction costs, the cost for operating the CSHB 844 program would be approximately .6% of grant funds. The cost of the program is not expected to be significantly changed under the senate committee substitute since the costs are mainly related to the annual inventory update and an increased workload for review of hospital and nursing home construction plans.

To inventory facilities such as public health clinics and community mental health centers, the department would expect to use a less intensive approach than for hospitals. The approach for these types of facilities would be to use survey forms which request information about the physical plant and pertinent features of its operations. The survey would be followed by onsite visits as appropriate.

Line 100

This line indicates the equivalent of salary and benefit costs for one staff position with appropriate qualifications. Duties of the proposed staff would include maintenance of the inventory of rural health facilities, review of requests for state assistance, and the research for an preparation of reports regarding grant requests as necessary under provisions with in this Bill.

Line 200

This line reflects necessary travel to health facility sites during the maintenance of the inventory of health facilities and the cost of periodic review of health facility construction. The costs shown here are based mainly upon the cost of inventorying hospitals and nursing homes.

Line 300

This line shows probable costs for consultants for mechanical, electrical, and structural engineers required for maintaining the inventory of rural health facilities and for assessing code compliance of construction documents. During FY 82 a full inventory of rural hospitals and nursing homes was completed. This full inventory should be repeated every five years. The FY 87 figures consider the cost of completing a full inventory in that year.

Line 400

This line shows expenditure for necessary office supplies.

SENATE HESS Draft
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Line 500

This line shows necessary expenses for office equipment.

Line 700

This fiscal note does not estimate the amount of grant funds which may be provided under the program set out in CSHB 844.

In estimating the grant expenditures under this bill the department has assumed each rural facility would bear 15% of the total project costs. The local portion of costs may, in practice, be higher or lower than 15% and is undefined by this bill.

SECTIONAL ANALYSIS

HB 844 creates a process by which small rural health facilities will be placed in a prioritized order, based on the comparative need for physical plant replacement or renovation.

SECTION 1 Establishes legislative intent to address the needs of rural health facilities.

SECTION 2 Creates a methodology for prioritization

130. Creates a fund to receive the appropriation

140. Requires the Statewide Health Coordinating Council (SHCC) to review and annually recommend the priority of needs to be addressed. The recommendation goes to the Governor, the Legislature and the Commissioner of Health and Social Services.

The Commissioner may alter priorities established by the SHCC if such alteration can be justified by a finding of fact, such as one facility being further along in the renovation project than another, emergency needs, or legislative reordering of priorities.

Language is included to encourage the Administration to propose appropriation amounts, which, when taken into account with any other sources of funding will provide a completed financing package.

150. Suggests a format for proposed appropriations included in the Governors budget to include, a listing of projects along with the proposed appropriation and an expected total cost of each project.

SECTION 3 Defines a rural health facility.

Original sponsors: Haugen, Cato,
Fuller, et al

Offered: 5/5/82
Referred: Rules

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 844 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the financing of health facility
7 improvements and maintenance."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS AND PURPOSE. The legislature finds and declares
10 that health facilities constitute an integral part of the health services of
11 the state. The purpose of this Act is to assist health facilities in securing
12 the capital necessary to improve and maintain their physical plants so that
13 they can continue to provide quality health care.

14 * Sec. 2. AS 13.25 is amended by adding new sections to read:

15 ARTICLE 5. FINANCING OF HEALTH FACILITY
16 IMPROVEMENTS AND MAINTENANCE.

17 Sec. 18.25.130. HEALTH FACILITY IMPROVEMENTS AND MAINTENANCE FUND.
18 There is created a health facility improvements and maintenance fund in
19 the Department of Health and Social Services. Money appropriated to the
20 fund shall be used for grants and loans to health facilities in accor-
21 dance with AS 18.25.140.

22 Sec. 18.25.140. GRANTS AND LOANS TO HEALTH FACILITIES FOR IMPROVE-
23 MENTS AND MAINTENANCE. (a) By November 1 of each year the Statewide
24 Health Coordinating Council (AS 18.07.011) shall recommend priorities
25 for making grants and loans from the health facility improvements and
26 maintenance fund. The recommendations shall be transmitted to the
27 commissioner of health and social services, the governor, and the legis-
28 lature.

29 (b) The Department of Health and Social Services shall provide the

1 Statewide Health Coordinating Council with an inventory of health facili-
2 ties, population served, services rendered, and other appropriate infor-
3 mation that would be helpful to the council in recommending priorities
4 for making grants and loans. The Department of Health and Social Ser-
5 vices shall update the inventory provided to the Statewide Health Coor-
6 dinating Council as necessary.

7 (c) In developing recommendations for making grants and loans
8 under this section, the Statewide Health Coordinating Council shall
9 consider

10 (1) the condition of the existing physical plant of a health
11 facility;

12 (2) the ability of the health facility to continue to provide
13 quality health services;

14 (3) the need in the community for additional services;

15 (4) the availability of quality health services in an adjacent
16 community;

17 (5) the financial ability of the community to contribute to
18 the cost of the project;

19 (6) the capacity of federal and state facilities to provide
20 the health service needs of a community, the existence of cooperative
21 agreements between federal and state facilities to provide the health
22 service needs of a community, and foreseeable changes in the delivery of
23 those services within a three-year period from the date of the council's
24 recommendations under this section;

25 (7) the ability of the health facility to meet current licen-
26 sure standards; and

27 (8) other related data that would assist the council in
28 establishing grant and loan priorities.

29 (d) The commissioner of health and social services shall review

1 the recommendations of the Statewide Health Coordinating Council and
2 shall provide the governor with a prioritized list of health facilities
3 in need of assistance from the fund established under AS 18.25.130 for
4 physical plant improvements and maintenance. The commissioner may not
5 make recommendations in an order other than that proposed by the council
6 unless the commissioner

7 (1) makes written findings of fact to justify the modifica-
8 tion of the priorities recommended by the council;

9 (2) provides the council with a copy of the written findings;
10 and

11 (3) allows the council a reasonable length of time to respond
12 to the written findings.

13 Sec. 18.25.150. APPROPRIATION GUIDELINES. (a) Proposed appropri-
14 ations for the health facility improvements and maintenance fund in the
15 governor's annual budget submitted under AS 37.07 shall include

16 (1) an itemized listing of projects proposed to be financed,
17 divided into three categories:

18 (A) inpatient health facilities with more than 100 beds;

19 (B) inpatient health facilities with 100 or less beds;

20 (C) other health facilities;

21 (2) the amount proposed to be granted or loaned to each
22 facility from the fund; and

23 (3) the estimated cost of each proposed project.

24 (b) Proposed appropriations under this section may not include
25 financing for health facilities operated or wholly supported by the
26 federal government.

27 Sec. 18.25.160. APPLICATION FOR IMPROVEMENTS AND MAINTENANCE
28 PROJECTS. The state, a political subdivision of the state, or a public
29 or other nonprofit agency may apply to the Department of Health and

1 Social Services for money for a health facility improvement and mainten-
2 ance project. The application shall conform to federal and state
3 requirements.

4 * Sec. 3. AS 18.25.120 is amended by adding a new paragraph to read:

5 (2) "health facility"

6 (A) means a facility that is owned or operated by a
7 municipality or by a nonprofit corporation or other nonprofit
8 sponsor and, if required, is licensed under AS 18.20.010 - 18.20.-
9 130;

10 (B) includes a public health center, maternity home,
11 community mental health center, or rural health clinic.
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Original sponsors: Haugen, Cato,
Fuller, et al

Offered: 3/31/82
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 844 (HESS) am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the financing of rural health

7

facility improvements and maintenance."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. FINDINGS AND PURPOSE. The legislature finds and declares

10

that rural health facilities constitute an integral part of the health ser-

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vices of the state. The purpose of this Act is to assist those rural health

12

facilities that are unable to secure reasonable alternative means of financ-

13

ing to secure the capital necessary to improve and maintain their physical

14

plants so that those health facilities can continue to provide quality health

15

care.

16

* Sec. 2. AS 18.25 is amended by adding new sections to read:

17

ARTICLE 5. FINANCING OF RURAL HEALTH FACILITY

18

IMPROVEMENTS AND MAINTENANCE.

19

Sec. 18.25.130. RURAL HEALTH FACILITY IMPROVEMENTS AND MAINTENANCE

20

FUND. There is created a rural health facility improvements and mainte-

21

nance fund in the Department of Health and Social Services. Money

22

appropriated to the fund shall be used for grants to rural health facil-

23

ities in accordance with AS 18.25.140.

24

Sec. 18.25.140. GRANTS TO RURAL HEALTH FACILITIES FOR IMPROVEMENTS

25

AND MAINTENANCE. (a) By November 1 of each year the Statewide Health

26

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